



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 28, 2001

### **Better Education for Students and Teachers Act**

*As ordered reported by the Senate Committee on Health, Education, Labor,  
and Pensions on March 8, 2001*

#### **SUMMARY**

Programs under the Elementary and Secondary Education Act of 1965 (ESEA) were authorized through 2000 under the General Education Provisions Act (GEPA). Programs were authorized in 2001 by the Consolidated Appropriations Act (Public Law 106-554). The Better Education for Students and Teachers Act would reauthorize these programs through 2008. It would also reauthorize parts of the Stuart B. McKinney Act, and activities under ESEA that were authorized under Parts III and IV of the Goals 2000: Educate America Act (Goals 2000).

CBO estimates that authorizations under the bill relative to current law would total approximately \$28 billion in 2002 and about \$205 billion over the 2002-2008 period, assuming that annual levels are adjusted to keep pace with inflation when specific annual authorizations are not provided. (Without such inflation adjustments, the annual authorization total would be about \$28 billion for each year, for a total of \$194 billion over the 2002-2008 period.) CBO estimates that appropriations of the authorized levels would result in additional outlays of \$167 billion over the 2002-2008 period, relative to estimated spending under current law, if inflation adjustments are included (and about \$160 billion without inflation adjustments).

The programs reauthorized in this bill would provide grants to state and local education agencies and tribal governments to assist specific populations of students in meeting state performance standards. The bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs incurred by state, local, or tribal governments would result from complying with conditions of aid. The bill contains no private-sector mandates as defined in UMRA.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the bill is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

**TABLE 1. ESTIMATED BUDGETARY EFFECTS OF THE BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT**

	By Fiscal Year, in Millions of Dollars							
	2001	2002	2003	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>								
<b>With Adjustments For Inflation</b>								
Spending Under Current Law								
Budget Authority/Authorization Level <sup>a</sup>	16,767	8,718	0	0	0	0	0	0
Estimated Outlays	13,910	14,709	4,650	744	20	0	0	0
Total Proposed Changes								
Estimated Authorization Level	0	27,735	28,267	28,795	29,323	29,887	30,452	31,016
Estimated Outlays	0	1,506	20,886	26,951	28,643	29,172	29,727	30,290
Spending Under the Bill								
Estimated Authorization Level	16,767	36,454	28,267	28,795	29,323	29,887	30,452	31,016
Estimated Outlays	13,910	16,215	25,536	27,694	28,663	29,172	29,727	30,290
<b>Without Adjustments For Inflation</b>								
Spending Under Current Law								
Budget Authority/Authorization Level <sup>a</sup>	16,767	8,718	0	0	0	0	0	0
Estimated Outlays	13,910	14,709	4,650	744	20	0	0	0
Total Proposed Changes								
Estimated Authorization Level	0	27,735	27,729	27,719	27,709	27,709	27,709	27,709
Estimated Outlays	0	1,506	20,856	26,517	27,695	27,685	27,683	27,683
Spending Under the Bill								
Estimated Authorization Level	16,767	36,454	27,729	27,719	27,709	27,709	27,709	27,709
Estimated Outlays	13,910	16,215	25,506	27,260	27,715	27,685	27,683	27,683

NOTE: Components may not sum to totals because of rounding.

a. The 2001 level is the amount appropriated for that year.

## **BASIS OF ESTIMATE**

The bill would reauthorize funding through 2008 for various programs created under ESEA. These programs would generally be reauthorized at specific levels for 2002 and for such sums as may be necessary for 2003 through 2008. CBO estimates that the bill would increase authorized levels by \$27.7 billion in 2002 and by \$205.5 billion over the 2002-2008 period assuming that "such sums" amounts provided after 2002 are adjusted for inflation. If the authorized amounts are appropriated, the bill would increase outlays relative to current law by \$1.5 billion in the first year and by \$167.2 billion over the seven-year period. (Without inflationary adjustments, the increased authorizations would result in outlays of \$159.6 billion over the seven years.)

Table 2 presents CBO's estimates for the various components of each title under the bill. CBO's estimate of authorized levels is generally the authorized amount for 2002 with those amounts inflated in later years. (The authorization for some programs are specified after 2002.) For most existing programs that the bill would reauthorize, the estimated outlays reflect CBO's current spendout rate assumptions. For new programs or significant revisions to existing programs, an explanation of CBO's estimate is provided below.

Because most education programs operate on a forward-funded basis, spending in the first year is consistently slow across all programs, with variation in spending patterns in the subsequent years. Historically, spending occurs even more slowly when the programs are new, experience significant funding increases, or institute matching requirements or other restrictions.

### **Title I - Better Results for Disadvantaged Children**

Title I of the bill would reauthorize and revise programs currently authorized under parts A, B, C, and E of Title I of ESEA. It also would introduce new programs for student assessments and reading initiatives. The bill would authorize a total of \$19 billion for 2002 for all programs under title I. CBO estimates the total funding for title I for the 2002-2008 period would be \$140.8 billion, assuming adjustments for inflation, with resulting outlays of \$115.9 billion over those seven years.

**Part A - Better Results for Disadvantaged Children.** The bill would reauthorize the Basic, Concentration, and Targeted Grant Programs under Part A of Title I, phase out the capital expense account, add new requirements for states to develop more specific standards and assessments, and require states to report annually on the results of the assessments.

**TABLE 2. DETAILED EFFECTS OF THE BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT, WITH ADJUSTMENTS FOR INFLATION**

	By Fiscal Year, in Millions of Dollars							
	2001	2002	2003	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>								
Spending Under Current Law								
Budget Authority/Authorization Level <sup>a</sup>	16,767	8,718	0	0	0	0	0	0
Estimated Outlays	13,910	14,709	4,650	744	20	0	0	0
Proposed Changes:								
<b>Title I - Better Results for Disadvantaged Children</b>								
Basic Grants to Local Education Agencies (LEAs)								
Estimated Authorization Level	0	15,000	15,294	15,587	15,881	16,189	16,497	16,805
Estimated Outlays	0	750	12,015	14,950	15,537	15,831	16,137	16,445
Targeted Grants to LEAs								
Estimated Authorization Level	0	200	204	208	212	216	220	224
Estimated Outlays	0	10	160	199	207	211	215	219
Even Start								
Estimated Authorization Level	0	250	255	260	265	270	275	280
Estimated Outlays	0	8	183	229	258	263	268	273
Reading First								
Estimated Authorization Level	0	900	918	935	953	971	990	1,008
Estimated Outlays	0	27	658	823	929	947	965	984
Early Reading First								
Estimated Authorization Level	0	75	76	78	79	81	82	84
Estimated Outlays	0	2	55	69	77	79	80	82
Education of Migratory Children								
Estimated Authorization Level	0	400	408	416	423	432	440	448
Estimated Outlays	0	20	320	399	414	422	430	439
Neglected, Delinquent, or At-Risk Youth								
Estimated Authorization Level	0	50	51	52	53	54	55	56
Estimated Outlays	0	3	40	50	52	53	54	55
Capital Expense Account								
Estimated Authorization Level	0	15	15	5	0	0	0	0
Estimated Outlays	0	1	12	14	7	1	0	0

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars							
	2001	2002	2003	2004	2005	2006	2007	2008
National Assessment and Demonstrations of Innovative Practices								
Estimated Authorization Level	0	35	36	36	37	38	38	39
Estimated Outlays	0	2	28	35	36	37	38	38
21st Century Community Learners								
Estimated Authorization Level	0	1,500	1,529	1,559	1,588	1,619	1,650	1,681
Estimated Outlays	0	180	1,204	1,497	1,556	1,585	1,616	1,647
Comprehensive School Reform								
Estimated Authorization Level	0	250	255	260	265	270	275	280
Estimated Outlays	0	13	200	249	259	264	269	274
Dropout Prevention								
Estimated Authorization Level	0	250	255	260	265	270	275	280
Estimated Outlays	0	13	200	249	259	264	269	274
Education for Homeless Children								
Estimated Authorization Level	0	70	71	73	74	76	77	78
Estimated Outlays	0	4	49	68	72	74	75	77
Subtotal, Title I								
Estimated Authorization Level	0	18,995	19,366	19,728	20,094	20,484	20,874	21,264
Estimated Outlays	0	1,030	15,123	18,830	19,664	20,031	20,416	20,806
<b>Title II - Teachers</b>								
Grants to States, Local Educational Agencies, and Eligible Partnerships								
Estimated Authorization Level	0	3,000	3,059	3,117	3,176	3,238	3,299	3,361
Estimated Outlays	0	150	2,103	2,894	3,100	3,159	3,219	3,281
National Programs								
Estimated Authorization Level	0	100	102	104	106	108	110	112
Estimated Outlays	0	5	70	96	103	105	107	109
National Teacher Recruitment Campaign								
Estimated Authorization Level	0	3	3	3	3	3	3	3
Estimated Outlays	0	3	3	3	3	3	3	3
Math and Science Partnerships								
Estimated Authorization Level	0	500	510	520	529	540	550	560
Estimated Outlays	0	15	40	176	505	514	524	534
Eisenhower Clearinghouse								
Estimated Authorization Level	0	5	5	5	5	5	5	6
Estimated Outlays	0	*	3	5	5	5	5	6

Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars							
	2001	2002	2003	2004	2005	2006	2007	2008
Preparing Tomorrow's Teachers to Use Technology								
Estimated Authorization Level	0	150	153	156	159	162	165	168
Estimated Outlays	0	8	105	145	155	158	161	164
State and Local Programs for Technology Use in Classrooms								
Estimated Authorization Level	0	1,000	1,020	1,039	1,059	1,079	1,100	1,120
Estimated Outlays	0	100	652	965	1,033	1,053	1,073	1,094
National Panel on Portability of Teacher Pensions								
Estimated Authorization Level	0	2	0	0	0	0	0	0
Estimated Outlays	0	1	1	0	0	0	0	0
Subtotal, Title II								
Estimated Authorization Level	0	4,760	4,851	4,944	5,037	5,135	5,233	5,330
Estimated Outlays	0	281	2,978	4,284	4,904	4,997	5,093	5,191
<b>Title III - Moving Limited English Proficient Students to English Fluency</b>								
Bilingual Program								
Estimated Authorization Level	0	300	306	312	318	324	330	336
Estimated Outlays	0	15	210	289	295	301	306	312
Foreign Language Assistance								
Estimated Authorization Level	0	35	36	36	37	38	38	39
Estimated Outlays	0	2	25	34	34	35	36	36
Immigrant Education								
Estimated Authorization Level	0	200	204	208	212	216	220	224
Estimated Outlays	0	10	140	193	197	200	204	208
Subtotal, Title III								
Estimated Authorization Level	0	535	545	556	566	577	588	599
Estimated Outlays	0	27	375	516	526	536	546	557

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TABLE 2. Continued.

		By Fiscal Year, in Millions of Dollars							
		2001	2002	2003	2004	2005	2006	2007	2008
<b>Title IV - Safe and Drug-Free Schools and Communities</b>									
State Grants									
Estimated Authorization Level		0	700	714	727	741	755	770	784
Estimated Outlays		0	35	491	675	723	737	751	766
National Programs									
Estimated Authorization Level		0	150	153	156	159	162	165	168
Estimated Outlays		0	8	105	145	155	158	161	164
National Coordinator Initiative									
Estimated Authorization Level		0	75	76	78	79	81	82	84
Estimated Outlays		0	4	53	72	77	79	80	82
Grants to Combat the Impact of Domestic Violence on Children									
Estimated Authorization Level		0	5	5	5	0	0	0	0
Estimated Outlays		0	*	4	5	5	2	0	0
Subtotal, Title IV									
Estimated Authorization Level		0	930	948	966	979	998	1,017	1,036
Estimated Outlays		0	47	652	897	961	975	993	1,012
<b>Title V - Public School Choice and Flexibility</b>									
Charter Schools									
Estimated Authorization Level		0	190	194	197	201	205	209	213
Estimated Outlays		0	10	133	183	196	200	204	208
Magnet Schools									
Estimated Authorization Level		0	125	127	130	132	135	137	140
Estimated Outlays		0	6	88	121	129	132	134	137
Public School Choice									
Estimated Authorization Level		0	225	225	225	225	225	225	225
Estimated Outlays		0	11	158	214	225	225	225	225
Rural Education									
Estimated Authorization Level		0	300	306	312	318	324	330	336
Estimated Outlays		0	15	210	289	310	316	322	328
									Continued

TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars							
	2001	2002	2003	2004	2005	2006	2007	2008
Innovative Education Programs								
Estimated Authorization Level	0	850	867	883	900	917	935	952
Estimated Outlays	0	43	596	820	878	895	912	930
Advanced Placement								
Estimated Authorization Level	0	50	51	52	53	54	55	56
Estimated Outlays	0	3	35	48	52	53	54	55
Subtotal, Title V								
Estimated Authorization Level	0	1,740	1,770	1,799	1,829	1,860	1,891	1,922
Estimated Outlays	0	87	1,219	1,675	1,790	1,820	1,851	1,882
<b>Title VI - Parental Involvement and Accountability</b>								
Parental Involvement								
Estimated Authorization Level	0	50	51	52	53	54	55	56
Estimated Outlays	0	5	33	48	52	53	54	55
State Assessment Plans								
Estimated Authorization Level	0	400	408	416	423	432	440	448
Estimated Outlays	0	12	272	386	413	421	429	437
National Assessment of Education Progress								
Estimated Authorization Level	0	110	112	114	116	119	121	123
Estimated Outlays	0	3	75	106	114	116	118	120
Improving Academic Achievement								
Estimated Authorization Level	0	50	51	52	53	54	55	56
Estimated Outlays	0	5	33	48	52	53	54	55
Subtotal, Title VI								
Estimated Authorization Level	0	610	622	634	646	658	671	683
Estimated Outlays	0	25	412	588	630	642	654	667
<b>Title VII - Indians, Native Hawaiians, and Alaska Native Education</b>								
Grants Administration and Planning								
Estimated Authorization Level	0	3	3	3	3	3	3	3
Estimated Outlays	0	*	2	3	3	3	3	3

Continued



TABLE 2. Continued.

	By Fiscal Year, in Millions of Dollars							
	2001	2002	2003	2004	2005	2006	2007	2008
Indian Education								
Estimated Authorization Level	0	93	95	97	98	100	102	104
Estimated Outlays	0	5	74	93	96	98	100	102
Special Programs and National Activities								
Estimated Authorization Level	0	20	20	21	21	22	22	22
Estimated Outlays	0	1	16	20	21	21	22	22
Native Hawaiian Council								
Estimated Authorization Level	0	*	*	*	*	*	*	*
Estimated Outlays	0	*	*	*	*	*	*	*
Education for Native Hawaiians								
Estimated Authorization Level	0	28	29	29	30	30	31	31
Estimated Outlays	0	1	20	27	29	29	30	31
Alaska Native Education Equity								
Estimated Authorization Level	0	17	17	18	18	18	19	19
Estimated Outlays	0	1	12	16	18	18	18	19
Subtotal, Title VII								
Estimated Authorization Level	0	161	164	167	171	174	177	180
Estimated Outlays	0	8	125	159	167	170	173	176
<b>Title IX - Miscellaneous Provisions</b>								
Evaluation of Assessments								
Estimated Authorization Level	0	4	0	0	0	0	0	0
Estimated Outlays	0	1	1	1	1	0	0	0
Total Proposed Changes								
Estimated Authorization Level	0	27,735	28,267	28,795	29,323	29,887	30,452	31,016
Estimated Outlays	0	1,506	20,886	26,951	28,643	29,172	29,727	30,290
Total Spending Under the Bill								
Estimated Authorization Level	16,767	36,454	28,267	28,795	29,323	29,887	30,452	31,016
Estimated Outlays	13,910	16,215	25,536	27,694	28,663	29,172	29,727	30,290

NOTE: Components may not sum to totals because of rounding.

\* = Less than \$500,000.

The bill would authorize \$15 billion for 2002 for the basic and concentration grants under Part A. The comparable funding for the 2001-2002 academic year is \$8.6 billion. The bill also would authorize \$200 million in 2002 for targeted grants. Although authorized, this program has not been funded in the past.

The bill would continue the authorization of the capital expense account. This account funds costs associated with ensuring that Title I services to private-school children are administered in neutral settings. In response to the 1997 Supreme Court ruling that overturned this requirement, the bill would phase out funding over three years, authorizing \$15 million for 2002, \$15 million for 2003, and \$5 million for 2004. The funding level for 2001 is \$6 million.

The bill would amend Part A of Title I to include more specific standards and assessment requirements for state plans. The bill would require states to include performance indicators in their plans as well as sanctions and rewards for local educational agencies (LEAs). State progress would be measured by each state according to its state plan. The bill also would require that states produce annual report cards beginning in academic year 2002-2003. The report cards would provide information on student achievement performance at each proficiency level on the state assessments. The bill would require states to assess all students annually in grades 3 through 8 in mathematics and reading, and measure the outcomes of the assessments against the state content and student performance standards established in the state plans, beginning no later than school year 2005-2006.

The bill also would authorize \$35 million for 2002 for federal evaluations and demonstrations. Funding for these activities is \$9 million in 2001.

**Part B - Literacy for Children and Families.** The bill would reauthorize funding for the Even Start Literacy program, currently Part B in Title I of ESEA, and create two new reading programs—the Reading First program and the Early Reading First program.

The bill would authorize \$250 million for the Even Start program, the same amount that was appropriated for 2001.

The bill would authorize \$900 million in 2002 for the Reading First program. The Reading First program replaces the Reading Excellence program, which is currently authorized under Part C of Title II of ESEA. The Reading Excellence program is funded at \$286 million in 2001. The Reading First program would first provide formula grants to states. States would award grants competitively to LEAs. The program would allow states to apply for grants if funds remain. The Reading Excellence program uses a two-tier competitive grant structure, which has resulted in slow spending in the first two years relative to formula grant or one-tier competitive grant programs. CBO estimates that spending for the Reading First program

would be at a rate comparable to spending for other formula grants to states with competitive grants to LEAs.

The bill also would create a new program for pre-school reading programs. The Early Reading First program would provide competitive grants to LEAs or private organizations to develop and provide pre-school reading programs. The bill would authorize \$75 million for the Early Reading First program.

**Part C - Education of Migratory Children.** The bill would authorize \$400 million in 2002 to continue to fund grants to support the needs of children of migrant workers, currently authorized under Part C of Title I. Funding in 2001 for the Migrant Education program is \$380 million.

**Part D - Initiatives for Neglected, Delinquent, or At-Risk Youth.** The bill would authorize \$50 million in 2002 to reauthorize grants for education programs for neglected or delinquent youth, compared with the 2001 funding level of \$46 million.

**Part E - 21st Century Community Learning Centers; Comprehensive School Reform; School Dropout Prevention.** The bill would authorize \$1.5 billion in 2002 to continue the 21st Century Community Learners program currently authorized under Part I of Title X of ESEA. The program's funding for 2001 is \$846 million.

The bill would authorize \$250 million for 2002 to continue the Comprehensive School Reform Grant Program. The program received \$210 million in 2001.

The bill would also introduce a new National School Dropout Prevention Program. A program to address school dropouts is currently authorized under Part C of Title V, but has never been funded. Schools would be allowed to use funds for start-up and implementation costs of dropout prevention programs. The bill would authorize \$250 million to fund grants to states. States would award grants to schools with the highest dropout rates in the state. If funding is less than \$250 million, grants would be awarded to states on a competitive basis. If funding is equal to or more than \$250 million, grants would be distributed to states using a formula. CBO assumes a spending rate consistent with spending for other competitive grant programs.

**Part F - Education for Homeless Children and Youth.** The bill would amend and reauthorize Subtitle B of Title VII of the Stewart D. McKinney Homeless Assistance Act, authorizing \$70 million for education for homeless children and youth in 2002. The appropriation for 2001 was \$35 million.

## **Title II - Teachers**

Title II would authorize a total of \$4.8 billion for 2002 for several initiatives that address teacher hiring, recruitment, and professional development. CBO estimates that implementing this title would cost \$27.7 billion over the 2002-2008 period.

**Teacher Quality.** The bill would authorize a total of \$3 billion for a block grant to fund many activities previously authorized under the Eisenhower Professional Development and Class Size Reduction programs, both of which would be discontinued. The combined funding level in 2001 is \$1.9 billion under the Eisenhower Professional Development and the Class Size Reduction programs. CBO assumes a spending rate consistent with the rate of spending for other new formula grant programs.

The bill also would authorize \$100 million to fund national programs and activities such as nonprofit agencies or institutions of higher education providing mentors or professional development for teachers. In 2001, \$41 million was appropriated for these activities.

The bill also would authorize \$3 million for each year over the 2002-2008 period for a National Teacher Recruitment Campaign. The program would award a grant to a coalition of teacher and media organizations to conduct a public service campaign concerning the resources for and routes to entering the field of teaching. For each year, CBO estimates that almost all funds would be spent in the year that they are appropriated.

**Mathematics and Science Partnerships.** The bill would authorize total funding of \$505 million in 2002 for the Math and Science Partnerships program and the Eisenhower Clearinghouse for Mathematics and Science Education. The Math and Science Partnerships program would replace the existing Eisenhower Regional Mathematics and Science Education Consortia currently authorized in Title XIII, Part C. The Mathematics and Science Partnerships program would provide grants to partnerships of states, local institutions, and institutions of higher education to offer summer and distance education workshops for math and science teachers, establish recruitment strategies, and provide other career development activities.

The bill would authorize \$500 million for 2002 for the Math and Science Partnerships program. The existing Eisenhower Regional Mathematics and Science Education Consortia is funded at \$15 million in 2001. The bill also would authorize \$5 million in 2002 for the Eisenhower Clearinghouse for Mathematics and Science Education. The Clearinghouse is funded at \$5 million in 2001. CBO assumes that funding for the new programs would be spent at a rate similar to other competitive matching grant programs.

The bill also would authorize \$150 million in 2002 for a new program, Preparing Tomorrow's Teachers to Use Technology. Grants would be awarded competitively to education consortiums to develop or redesign teacher preparatory programs to enable teachers to use technology effectively in classrooms. CBO assumes that outlays for this program would be consistent with the rate of spending for other competitive grant programs.

**State and Local Programs for Technology Use in Classrooms.** The bill would authorize a total of \$1 billion in 2002 for competitive grants to fund many activities previously authorized under the Literacy Challenge Fund, the Innovative Challenge Fund, and the National Leadership program. The combined funding level in 2001 is \$588 million for those three programs. The Technology Use in Classrooms program would provide grants for ongoing professional development in the integration of technology into the curriculum, providing educational services for adults and families, and acquiring resources. CBO assumes that the rates of spending for this program would be similar to other competitive grant programs.

**Portability of Teacher Pensions and Credentials.** The bill would authorize such sums as may be necessary for fiscal year 2002 for a National Panel to study various options for increasing the reciprocity of recognition of teacher credentials and portability of teacher pensions between states. A report would be completed no later than one year after appointment of the panel. CBO estimates the National Panel would cost \$2 million, with outlays of about \$1 million in each of fiscal years 2002 and 2003.

### **Title III - Moving Limited English Proficient Students to English Fluency**

The bill would authorize \$535 million for the Moving Limited English Proficiency Students to English Fluency program, currently authorized as the Bilingual Education program under Title VII of ESEA. The funding level for 2001 is \$460 million. CBO estimates that implementing this title would cost \$3.1 billion over the 2002-2008 period.

The bill would authorize:

- \$300 million for 2002 for the Bilingual Education Program, which is funded at \$296 million for 2001;
- \$35 million for the Foreign Language Assistance Program in 2002, which received \$14 million in funding in 2001; and
- \$200 million for the Emergency Immigrant Education Program, which is funded at \$150 million for 2001.

## **Title IV - Safe and Drug-Free Schools and Communities**

The bill would authorize a total of \$930 million for 2002 to continue the Safe and Drug-Free Schools and Communities Program, currently authorized under Title IV of ESEA. CBO estimates that implementing this title would cost \$5.5 billion over the 2002-2008 period. Total funding for the program in 2001 is \$644 million.

**State Grants.** The bill would authorize \$700 million in 2002 to continue grants to state educational agencies and governors' programs, which are funded at \$439 million in 2001.

The bill would authorize \$150 million in 2002 to continue national programs, which are funded at \$155 million in 2001. The bill also would authorize \$75 million in 2002 to continue the National Coordinator Initiative. The National Coordinator Initiative is funded at \$50 million in 2001.

The bill would also create a new competitive grant program to provide grants to elementary and secondary schools to combat the impact of experiencing or witnessing domestic violence on elementary and secondary children. Funds could be used for training of personnel or developing programs and policies to combat the impact of experiencing or witnessing domestic violence. The bill would authorize \$5 million in 2002, 2003, and 2004 for this program. CBO assumes a spending rate consistent with the rate of spending for other new competitive grant programs.

**School Safety and Violence Prevention.** The bill would allow federal funds in title IV to be used to train personnel to identify potential safety threats in the schools. CBO expects that this provision would have no impact on the rate at which such funds are spent.

## **Title V - Public School Choice and Flexibility**

Title V would authorize \$1.7 billion in 2002 for several programs previously authorized under other titles of ESEA. Programs authorized under Title V are Charter Schools, Magnet Schools, Public School Choice, Rural Education, Innovative Education Programs, and Advanced Placement. CBO estimates that implementing this title would cost \$10.3 billion over the 2002-2008 period.

**Public School Choice.** The bill would reauthorize the Charter School program, currently authorized through 2003 under the Charter School Reauthorization Act (Public Law 105-278) and through 2004 under GEPA. The bill would authorize \$190 million for 2002—the same amount that has been provided for 2001—and extend the authorization through 2008.

The bill would authorize \$125 million for 2002 to continue the Magnet Schools Program currently authorized under Part A of Title V, compared with 2001 funding of \$110 million.

The bill would reauthorize \$225 million for each of the fiscal years 2002-2008 for the Public School Choice program which was created in the Consolidated Appropriations Act of 2001 (Public Law 106-554). The program allocates funds to states who in turn allocate funds to LEAs for school improvement activities. LEAs that receive funds must provide students enrolled in a school identified for school improvement with an option to transfer to another public school that has not been identified for school improvement within the school district served by the LEA. The program is funded at \$225 million in 2001 as a set-aside from basic grants to LEAs under Title I of ESEA.

**Flexibility.** The bill would authorize the Rural Education Achievement Program and the Local Innovative Education Program.

The bill would create a new program called the Rural Education Achievement Program to replace the Urban and Rural Education Assistance Program, currently authorized under Part J of Title X of ESEA. The bill would authorize the program at \$300 million in 2002, of which \$150 million would be available for grants to small rural education agencies to carry out innovative assistance activities. Any remaining funds could be used for grants to state educational agencies for the low-income and rural school program. The Urban and Rural Education Assistance Program is not funded for 2001.

The bill also would authorize \$850 million to continue the Innovative Education Program. The program is currently authorized under Title VI of ESEA. This program is funded at \$385 million in 2001.

**Flexibility and Coordination.** The bill would allow state educational agencies to consolidate funds for administration of programs. The bill also would allow state educational agencies to submit a consolidated state plan or application for each of the programs in which the state participates or applies.

**Advanced Placement Programs.** The bill would authorize \$50 million in 2002 and expand allowable activities under the Advanced Placement program currently authorized by Part B of Title VII of the Higher Education Act. Funds would first be allocated to states to enable states to reimburse low income individuals to cover all or part of the cost of advanced placement (AP) test fees. The remainder of funds could be used to expand AP courses and fund on-line AP courses. The program is funded at \$22 million in 2001.

## **Title VI - Parental Involvement and Accountability**

Title VI would authorize a total of \$610 million in 2002 for new initiatives aimed at increasing parental involvement in schools. CBO estimates that implementing this title would cost \$3.6 billion over the 2002-2008 period.

**Parental Involvement Grants.** The bill would authorize \$50 million for 2002 for a new Parental Involvement Grant Program. The Parental Involvement Grant Program would replace and expand upon the Parental Assistance Funds Program, authorized under Title IV of Goals 2000 which is funded at \$38 million in 2001. Funds provided under this part would be used to support continuation grants for recipients under the current program.

**Improving Academic Achievement.** The bill also would authorize funds for the planning and implementation of the state assessment plans and the administration of the annual assessments of students described in title I of this bill. The bill would authorize \$400 million in 2002 for planning and implementation of state plans. The bill also would authorize \$110 million for states to administer assessments under National Assessment of Educational Progress (NAEP). The bill would provide funds to states to administer state assessments of fourth- and eighth-grade reading and mathematics under NAEP. CBO assumes the new funds will be spent at a rate consistent with the rate for other new formula grant programs.

The bill also would create a new Education Award program which would allow the Secretary of Education to award grants to states that make the most progress in student achievement, schools that complete their state assessment plans in advance of the schedule, and schools that make the most progress in the progress of economically disadvantaged students' achievement. The bill would authorize \$50 million for education awards. CBO assumes funds would be spent at the same rate as the National Assessment of Educational Progress grants.

The bill also would establish penalties for states based on state assessment results. States that fail to make yearly progress for two consecutive years could have their administrative funds reduced up to 30 percent. States that fail to make progress for three or more consecutive years could have up to 75 percent of their administrative funds reduced. CBO expects that this provision would not significantly change spending.

## **Title VII - Indian, Native Hawaiian, and Alaska Native Education**

The bill would authorize \$161 million to continue education programs currently authorized under Parts A, B, and C of Title IX of ESEA. Total funding for 2001 is \$159 million.



**Indian Education.** For 2002, the bill would reauthorize a total of \$116 million for Indian Education programs. The bill would authorize \$93 million for formula grants to LEAs for Indian Education. That program is funded at the same amount for 2001. The bill would authorize \$20 million for special programs and national activities in 2002, the same amount that is appropriated for 2001. Finally, the bill would authorize \$3 million for each of the fiscal years 2002 through 2008 for grants to tribes for administration and planning. Funding in 2001 is also \$3 million.

**Native Hawaiian Education.** The bill would authorize \$28 million in 2002 for education for Native Hawaiians. Current programs would be consolidated into one authorization and new activities would be authorized. The appropriation for 2001 is also \$28 million. The bill also would authorize \$300,000 for a Native Hawaiian Council to oversee coordination of educational services available to Native Hawaiians.

**Alaska Native Education.** The bill would authorize \$17 million in 2002 for Alaska Native education. Funding in 2001 is \$15 million.

## **Title VIII - Repeals**

The bill would repeal Titles IX through XIV of the Elementary and Secondary Education Act of 1965. The bill also would repeal the Goals 2000: Educate America Act. Programs that would be repealed in title VIII or elsewhere in the bill include:

- Telecommunications Demonstration Project for Mathematics,
- Elementary Mathematics and Science Equipment Program,
- Star Schools,
- Ready to Learn TV,
- Technology Education,
- Women's Education Equity,
- Fund for Improvement of Education,
- Gifted and Talented,
- Arts in Education,

- Inexpensive Book Distribution,
- Ellender Fellowship,
- National Writing Project,
- International Education Exchange,
- School Facilities Infrastructure Improvement Act,
- Comprehensive Regional Assistance Centers,
- National Diffusion Network,
- Eisenhower Regional Mathematics and Science Education Consortia,
- Community-based Technology Centers,
- Professional Development National Programs, and
- School Renovation Grants.

### **Title IX - Miscellaneous Provisions**

Title IX would authorize the appropriation of \$4 million in 2002 for an evaluation of standardized tests that are mandated to be used in determining a student's promotion, graduation, or tracking. The bill would authorize such funding for the Board on Testing and Assessment of the National Research Council of the National Academy of Sciences for an ongoing evaluation of the effectiveness of school assessments. The study would not exceed four years. CBO estimates that completing the study would cost about \$1 million each year over the four-year period.

**PAY AS YOU GO CONSIDERATIONS:** None.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

The bill would reauthorize certain sections of the Elementary and Secondary Education Act of 1965 and would authorize over \$27 billion in grants to state and local education agencies and tribal governments to support their efforts to improve educational opportunities and performance for specific populations of students. The bill contains no intergovernmental mandates as defined in UMRA. In general, any costs to state, local, or tribal governments as a result of enactment of this bill would be incurred voluntarily, as conditions of aid.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

The bill contains no private-sector mandates as defined in UMRA.

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